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Washington, DC - Today, Rep. Bruce Braley (D-Iowa) introduced a bipartisan bill that would increase Medicare reimbursement rates for physicians in Iowa and other rural states.

The Medicare Equity and Accessibility Act of 2009 would help Iowa retain doctors and improve access to quality healthcare. Braley introduced the bill with Rep. Adrian Smith (R-Nebraska); the two introduced a similar bill during the 110th Congress.

"There is a 'brain drain' of doctors from Iowa and other small, rural states," Rep. Braley said. "States with higher Medicare reimbursement rates are more attractive to practicing doctors. If you can earn more practicing medicine in California than in Iowa, then you're more likely to practice in California.

"This legislation will address the problem by putting a permanent floor on Medicare reimbursement rates for doctors' services and practice expenses—a floor above current rates in Iowa. This will have the effect of raising reimbursement rates to doctors and will make Iowa a more attractive place for doctors to settle and practice."

Medicare reimbursements to physicians are calculated based on two primary indexes: (1) the cost of doctors' labor and (2) the cost of physical expenses like office space and equipment. Especially important to Medicare when calculating these two indexes is the cost of doing business in a given area.

Medicare considers the cost of business in Iowa and other rural states to be low, and this negatively impacts the amount doctors are reimbursed for their services. For example, in Santa Clara, California, a doctor performing a cataract removal would receive a \$814.68 reimbursement from Medicare for the procedure. In Iowa, a doctor would receive only \$600.00 for the procedure—over 25 percent less than the California doctor.

Braley's bill will set a permanent floor on the two indexes, resulting in higher Medicare reimbursements for doctors in Iowa and other similar states. Higher reimbursements mean that doctors receive fairer compensation for their services and are more attracted to practicing medicine in Iowa.